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18 July 1958

MEMORANDUM FOR: Mr. Allen W. Dulles 25X1A9a_

FROM:

Suggested Measures to Resolve the Middle East Crisis SUBJECT:

While the intentions and objectives of US action in the Middle East have been set forth by the President and the American representative at the UN, there is an urgent requirement, it seems to me, to propose a far-reaching, constructive approach to the critical problems of the area. Set forth below are the ingredients of a possible American plan for future action. It is unlikely that the objectives and interests of the major Western powers, the Communist Bloc, and the Middle East countries can be reconciled and agreement reached on steps to place the area on the road to peace and prosperity, but the American position of leadership requires the effort. Some initiative of this nature should at least reassure such reluctantly doubtful supporters as Sweden and Japan that the traditional motives of US policy still operate. If we could persuade the UK to associate itself with the effort suggested below, the likelihood of its success would increase.

In pursuit of the objective set forth above I venture to suggest that President Eisenhower personally address the United Nations along the following lines:

- 1. The US requests a meeting of the General Assembly to deal with the entire Mid-East question.
- The US proposes to withdraw its troops from Lebanon as soon as
 - a. The Presidential election has been held (July 24) and the orderly succession of the new President assured (perhaps not before September)

OR.

b. An adequate UN force is available of 28 MAY \$2 MAY \$2 MAY \$2 MAY \$2

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- 3. The US confirms Prime Minister Macmillan's assurances that there is incontrovertible intelligence evidence that the UAR was plotting the overthrow of Lebanon and Jordan and only cancelled these plans because of the US intervention.
 - 4. The US will recognize the Iraqi government.
- 5. The US recommends that the United Nations adopt a resolution calling for a "summit" meeting of all Arab States east of Egypt. The North African Moslem states should not be included at this time. The Presidency of this meeting should be rotated among the existing heads of the participating governments.
 - 6. The overall meeting should serve as the framework for:
 - a. Work toward an Arab Federation, which, on the analogy with the Malay Federation, should rotate power among the legal heads of existing governments, and should not be dominated by any one country or political leader.
 - b. Proclaiming a policy of true neutrality under the UN charter.
 - c. Establishing a mechanism for cooperation with the NATO powers in a massive, long-range project for Mid-East Economic development (OEEC or the European Common Market mechanisms might serve as agents for this purpose, with the US and other interested countries represented by specially constituted commissions).
 - d. Drafting a program for the internationalization of Mid-Eastern oil, safeguarding the rights of the consumer countries, and insuring fair participation of have-not countries (Syria, Lebanon and Egypt) while eliminating their ability to throttle the lines of transportation (Suez Canal, pipelines). The existing rights of private oil companies would be respected, and they would be compensated for any real loss through expropriation. They would be invited to continue their services of exploration, extraction, transportation and marketing under a system which would provde them with adequate incentive, but would remove them from political influence. Other countries (Italy, Japan) would participate on equal terms.

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- e. Working toward a solution of the Israeli question, which might involve at least some concession by Israel in the matter of frontier rectification to insure land access of the components of the Federation, but would not turn the clock back to 1947; the Arab countries would undertake to resettle the Palestine refugees, with capital assistance from the US and other NATO countries.
- 7. It is suggested that a UN Commission be established to assist the Arab "summit" conference to accomplish these objectives. This commission should include: US, Britain, France, West Germany, Italy, India and the USSR. It might be presided over by either the SYG of the UN or by a prominent representative of a neutral country (Sweden, Burma or Switzerland).
- 8. The US would welcome a UN resolution against further shipments of arms to the Middle East, pending the outcome of the Arab "summit" conference.
- 9. The President might conclude by saying that in the interest of world peace we would hope to eliminate the polarizations which dominate the world:
 - a. We ourselves would eliminate the polarization implied in the terms "East-West," which do not correspond to the inner reality of the world conflict;
 - b. We would like to eliminate the polarization of "capitalist-socialist," but the "Communists apparently are determined not to allow us to do so";
 - c. The only polarization on which we refuse compromise is that of freedom vs. tyranny.